5 August 1982

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MEMORANDUM FOR: Deputy Director of Central Intelligence
FROM : Assistant NIO for Latin America
SUBJECT: Talking Points SNIE 90/91-3-82: Implications of the Falklands Conflict for Territorial Disputes in Latin America
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for conflict breaking out regarding other territorial 25X disputes in the hemisphere.
2. The key findings of the intelligence community were:
a. The Falklands conflict has heightened irredentist rhetoric in some Latin American countries but, on balance, has had a dampening effect on prospects for an outbreak of hostilities elsewhere in the hemisphere.
b. Neither Argentina nor Chile is likely to initiate military action over the Beagle Channel during the next year or so.
c. Even if a conflict broke out, Peru and Bolivia are not likely to attack Chile; nor would Ecuador attack Peru.
d. Internal developmentsnot disputes elsewhereare more likely to determine whether fighting breaks out elsewhere in the region. With regard to key disputes involving Venezuela and Guyana, Guatemala and Belize, and Nicaragua and Colombia, domestic and international considerations will continue to restrain these governments from using force.
e. Moscow and its surrogates are not likely to gain much from the Falklands' crisis or any new conflicts. Not 15 th they to get deeply involved a cry new conflict.
f. Although additional hemispheric hostilities would adversely affect US interests in the region, most Latin American countries would continue to look to the US to play a role in resolving intraregional conflicts.
3. The draft generated little controversy within the intelligence community. Several issues, however, did provoke some discussion and warrant attention:

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- a. Potential Soviet arms sales to Latin America. As various drafts evolved, the prticipants expressed growing skepticism that Argentina would turn to the USSR for arms. In the end, the group concluded that "the staunchly anti-communist regime is unlikely to turn to the Soviets for military equipment unless no other sources are available".
- b. Argentine attack on the Beagle Channel. All agreed that logic argues strongly against Argentina initiating hostilities, but some representatives—particularly INR—argued that the draft should not overly discount the possibility for irrational action. Much the same point should be kept in mind with regard to prospects for conflict breaking out over other disputes in the region.

c. <u>International mediation of the Beagle Channel dispute</u> . Initial drafts stated almost flatly that Argentina would continue delaying tactics to frustrate papal mediation, but recent information prompted some rewriting to reflect more flexibility in the Argentine position.	25X1
4. An overview map and more detailed maps showing each border dispute in the Beagle Channel area will accompany the text.	25 X 1
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